



Rep. Shelley Berkley (NV-01)

**Statement at House Judiciary Committee Hearing: "Establishing Consistent Enforcement Policies in the Context of Online Wagers"
November 14, 2007**

Thank you Mr. Chairman. I appreciate the opportunity to testify before the committee today on the issue of Internet gaming. As you can attest, Mr. Chairman, I have been agitating for a hearing on this topic for some time. As Las Vegas' representative in Congress, and as the only member of this body with actual gaming experience, I feel I can offer the committee an important perspective on this ongoing debate.

I think the use of the word "consistent" in the title of today's hearing helps highlight the absurdity of the current situation with respect to Internet gaming. A combination of outdated laws, selective enforcement by the Justice Department, and an intentional lack of clarity by Congress resulted in a confusing environment for those law-abiding Americans who want to wager online, and that was before enactment of last year's so-called Unlawful Internet Gambling Enforcement Act. The UIGEA actually made things even more confusing by targeting the financial sector rather than gamblers, and further memorializing the carve-out for horseracing. Although some Internet gaming executives have been arrested and some of the more reputable operators have stopped doing business in the U.S., an estimated 10 million Americans are still wagering online on poker alone, and they are doing so without the benefit of the protections afforded by effective regulatory oversight.

In this era of the global economy, this situation has also caused consternation among our closest trading partners who have been shut out of a potentially lucrative market. The WTO has ruled that our laws unfairly discriminate against Antigua, and now we're on the hook for what could be a substantial penalty. The Bush administration responded to this embarrassing defeat by seeking to withdraw any gambling-related service from our WTO commitments, opening us up to further liability in the form of compensation to the EU, Australia, Japan, and other allies. This is the trade equivalent of taking our ball and going home, and sets a dangerous precedent for other nations. You can be sure that if China one day decides that it shouldn't have to comply with its WTO obligations, we will be the first to object.

So where do we go from here? I applaud this committee for attempting to lay the groundwork for a legislative solution that ideally would legalize online gaming, subject it to some sort of regulation, and protect underage and problem gamblers. While this debate continues, I have introduced legislation calling for a one-year study by the National Research Council on these very issues, something that should have been done before we went forward with last year's ban. I encourage the committee to consider my bill so that we can have the unbiased information we need to make informed decisions on what is a very complicated topic.

Thank you again for holding this hearing.